

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT BY THE CHILEAN REPRESENTATIVE ON PRINCIPLES AND OBJECTIVES FOR THE NEGOTIATIONS

My delegation requested the inclusion of this item in the agenda for this session of the Committee on Trade and Development because it considers it essential that before we present our report to the Preparatory Committee for the multilateral trade negotiations there should be a full discussion of the principles and objectives of the negotiations for developing countries.

In general, the principles for the multilateral trade negotiations have been defined by the developing countries that are members of the Group of 77, in UNCTAD Resolution No. 82(III) and in Resolution 3040 adopted by the United Nations General Assembly at its twenty-seventh session.

In our opinion, the multilateral trade negotiations should be conducted on the basis of preferential treatment for developing countries so that the latter obtain additional benefits. Such benefits should represent a substantial and meaningful improvement of the position of developing countries in international trade, so that they secure increased export earnings and participation in the growth in international trade commensurate with the needs of their economic development on the basis of non-reciprocity, non-discrimination and preferential treatment. The developing countries, collectively or individually, should not suffer, directly or indirectly, adverse or prejudicial effects as a result of these negotiations.

The multilateral trade negotiations should be conducted on the basis of preferential treatment and non-reciprocity for developing countries in the liberalization of tariff and non-tariff barriers as well as in matters such as safeguards, escape clauses, adjustment assistance measures, etc. Such preferential treatment should be accorded through measures such as, among others:

- (a) deeper cuts on tariffs, on a preferential basis in favour of developing countries;

- (b) binding of preferential rates of tariffs in favour of developing countries;
- (c) advance implementation of tariff reductions, on a preferential basis, on products of export interest to developing countries;
- (d) greater liberalization of quantitative restrictions on a preferential basis for developing countries;
- (e) special consideration for the problems of developing countries with regard to other non-tariff barriers, including technical assistance, as appropriate.

If the preferential advantages enjoyed by developing countries are adversely affected by the results of the negotiations, the developed countries should take additional measures to compensate the developing countries so affected.

In view of the possible erosion of the benefits under the Generalized System of Preferences which might result from the multilateral trade negotiations, it is absolutely necessary to ensure that the system is made fully operational through its implementation by all preference-giving countries and is substantially improved. To this end, the necessary efforts will have to continue to be made in the appropriate fora. It is recognized, nevertheless, that the implementation of the Generalized System of Preferences or improvements therein are concessions accorded to the developing countries outside the framework of the multilateral trade negotiations and should not be regarded as benefits secured by them as a result of the negotiations.

Developed countries should provide more favourable and acceptable conditions of access to the products of developing countries and ensure for those products a larger share of the markets of developed countries and devise measures designed to attain stable, equitable and remunerative prices for those products.

All developing countries, whether or not contracting parties to the General Agreement on Tariffs and Trade, shall be entitled and enabled to participate fully, effectively and continuously at all stages and levels of these negotiations. The participation of developing countries which are not contracting parties should in no way constitute an undertaking to accede to the General Agreement.

The interests of the developing countries should be fully taken into account and their effective participation in certain specific areas of the negotiations should not affect the additional benefits that the negotiations should ensure for them.

All concessions that may be exchanged by developed countries among themselves should automatically be extended to all developing countries.

Concessions granted by the developed countries to developing countries need not be extended to the developed countries.

In the negotiations among developing countries, the tariff and other concessions which they may negotiate among themselves shall not be extended to the developed countries.

The negotiations should, as a matter of priority, secure significant concessions for the products of particular interest to the least developed countries and the land-locked developing countries.

The utmost priority should be accorded to the removal of all barriers to the products of export interest to developing countries in the markets of developed countries.

Concessions agreed upon in the negotiations in favour of developing countries should be made available to them immediately and should not be phased, nor should accession to the General Agreement on Tariffs and Trade be a prior condition for enjoyment of the benefits of such concessions.

Ways and means should be considered for economic and financial compensation for any possible loss that might be incurred by developing countries as a result of the multilateral trade negotiations. The case of the least developed countries should be given special consideration. Economic and financial compensation could be linked to the results of the negotiations for reform of the international monetary system.

As I mentioned, these principles largely correspond to the principles already defined by the developing countries in other international fora. Nevertheless, my delegation considers that some of these principles can be taken up by this Committee, and enlarged or supplemented in such a way as to facilitate their adoption before the multilateral trade negotiations are initiated.

As regards the objectives of the developing countries for their participation in the multilateral trade negotiations, we should like to mention the following ones.

First of all, the negotiations should promote an acceleration of the economic and social development of developing countries and an improvement in the standard of living of their people.

Similarly, the negotiations should tend toward a new, more just and equitable international division of labour.

Developing countries should obtain net additional benefits that would contribute to the achievement of the economic and social goals and objectives of the second Development Decade of the United Nations.

Since developing countries do not have economic structures allowing them to take advantage of the multilateral trade negotiations to the same extent as developed countries, a supplementary economic objective should be established, to cover the needs of developing countries in respect of financing, maritime transport, access to trade in know-how, etc. This objective should be attained in parallel negotiations in the appropriate fora.

In specifically trade terms, the developing countries should increase their share in world trade.

The negotiations should yield a substantial increase in the export earnings of developing countries, diversification of their exports and acceleration of the rate of growth of their trade.

Similarly, in the course of the negotiations there should be a substantial improvement in the conditions of access for the products of developing countries, and appropriate conditions should be created for the attainment of stable and remunerative prices for those products.

Lastly, in the course of the negotiations appropriate amendments should be made to the General Agreement on Tariffs and Trade, particularly Part IV, to establish clear rules concerning non-reciprocity, non-discrimination and preferential treatment for developing countries.

There is no doubt that in a negotiation such as the one which is approaching, and in which not only the trade interests of the participants will be involved, developing countries will be at an appreciable disadvantage. The great trading nations are contemplating not only a restructuring of world trade, they are going much farther and have emphasized that this new round of negotiations should establish a new world economic order. That means that in addition to trade concessions, there will also be negotiations on the international monetary system and negotiations on military expenditure for the defence of Western Europe. In these conditions, it will be very difficult for developing countries to obtain benefits comparable to those of industrial countries; it is therefore most urgent that throughout the negotiations account should be taken as a central concern of the need to promote accelerated economic and social development of the developing countries, particular consideration being given to the situation of the least developed among them. Only in that way will we be able to consider that the countries of the Third World have their place in the new world economy order that is being proposed.